



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 2/8/2002

GAIN Report #CH2604

China, Peoples Republic of

Tree Nuts

Imported Nuts and This Chinese New Year

2002

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Report Highlights:

Local demand for imported tree nuts remains high during the Chinese New Year holiday and Yide Road still is a popular tree nut wholesaling venue.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Guangzhou [CH3], CH

Pistachios, of all imported tree nut varieties for sale in China, appear to have the highest consumer demand during this year's Spring Festival period. Aside from the larger scale distributors who maintain store fronts on Yide Road, the main nut wholesaling location in Guangzhou, over two dozen different individuals on this same street are selling pistachios by the kilogram from open boxes of loose pistachios. Street vendors' current pistachio prices range from 40 to 50 RMB (U.S.\$ 4.84 to 6.05) per kilogram, while the price range among companies with Yide Road store front operations is slightly lower. Unfortunately, according to local traders, many of the pistachios for sale are of Iranian origin. The main reason for the greater availability of Iranian pistachios is price and Iranian pistachios are less expensive. One source says that a container of Iranian nuts is 3,000 to 4,000 RMB (U.S.\$ 363.20 to 484.26) less expensive than a similar container of American pistachios.

In shell almonds now are more prevalent. When imported almonds were initially sold to the local public in China, most almonds had been shelled before they were reached the consumer. At the present time, the reverse appears to be true. Traders and wholesalers cite price as the main reason. Almonds with shells are less expensive. For example, one street vendor is currently selling in-shell almonds for approximately 30 RMB (U.S.\$ 3.63) per kilogram and shelled almonds for about 40 RMB (U.S.\$ 4.84) per kilogram. Among wholesalers, the price difference is narrower. One wholesaler currently quotes in-shell almonds at about 25 RMB (U.S.\$ 3.03) per kilogram and shelled almonds at around 30 RMB (U.S.\$ 3.63) per kilogram.

Hazelnuts are now more plentiful in the market than during previous years, but amounts are small relative to other imported nuts. However, traders complain that profits from hazelnut sales are low, earning their distributors only two to four Jiao (U.S.\$ 0.02 to 0.05) per kilogram.

While Chinese New Year (Spring Festival) remains the best sales period for nuts, the May Day holiday period for a few traders has begun to assume greater importance. One local trader recently told Post that sales during the May Day period are higher than normal, but still much lower than Spring Festival volumes. This nut trader also noted that long vacation periods in China always lead to higher sales. However, many distributors and wholesalers still do not view the May Day holiday period as a big sales time. A nut processor in Guangzhou says that their sales for the May Day holiday period are usually about the same as during non-holiday periods. A couple of Yide Road wholesalers expressed similar sentiments. Only over the past couple of years has the Chinese government created the extended May Day holiday period. In general, according to local traders, during each year, imported nuts sales are generally higher from Mid-Autumn Festival in September to the May Day holiday in early May. They also added that sales usually drop during hot weather.

The major holiday periods in China every year are the Chinese New Year (Spring Festival) in January or February, National Day on October 1, and May Day on May 1. In recent years, the Chinese government has expanded the number of consecutive vacation days for these holidays and has been attempting to promote greater consumer spending during holidays. The Chinese New Year holiday is the biggest holiday season in China and gift giving is an important holiday tradition. In the 1990s, U.S. dried fruits and nuts succeeded in becoming major gift items for the holidays.

Despite the increased prevalence of factory direct nuts sales, distributors and wholesalers at Guangzhou's Yide Road say that buyers from other regions in China still come to the their store fronts to buy nuts. However, these buyers' purchasing tends to be smaller and sporadic in comparison with those who buy directly from processors' factories.

The exchange rate between the Chinese RMB and the U.S. Dollar is approximately 8.26 RMB per Dollar.